

**BUDGET WORK SESSION
OF THE BRIGHAM CITY COUNCIL
APRIL 29, 2010
4:30 P.M.**

PRESENT:	Dennis Fife	Mayor
	Bruce Christensen	Councilmember
	Scott Ericson	Councilmember
	Ruth Jensen	Councilmember
	Bob Marabella	Councilmember
	Tyler Vincent	Councilmember
ALSO PRESENT:	Rick Bosworth	Human Resource Coordinator
	Ben Boyce	Director of Parks and Recreation
	Dave Burnett	Director of Public Power
	Jim Buchanan	EMS Director
	Mary Kate Christensen	City Recorder
	Blake Fannesbeck	Public Work Director
	Paul Larsen	City Planner
	Bruce Leonard	City Administrator
	Chris Marx	Golf Pro
	Jason Roberts	Finance Director
	Paul Tittensor	Chief of Police

Update on Current Budget through June 30

Mr. Roberts reported that he has projected sales tax to be \$200,000 lower than what was budgeted. State-wide, they are forecasting a small increase. Councilmember Ericson added that consumer confidence is up higher than it has been in the last three years. Mr. Roberts also budgeted lower revenue in licenses and permits, federal grants and fire protection fees. The budget shows an increase in ambulance services and cemetery fees. There is some grant revenue budgeted in the Museum-Gallery budget, but it is not anticipated this will be received. There is an increase in Sundry Revenue due to the sale of the Mantua property, park easement and other estimates. There is also an increase in Contributions & Transfers. There are higher revenues projected for all Utility Funds, which means there will be a higher transfer.

Mr. Roberts reviewed the increase in expenses. The Administration shows an increase of \$41,000 to cover items that have been approved by the Council, and unemployment expenses. Economic Development has increased by \$100,000 to cover fiber optics. This is being covered from the sale of the Fire Station property. The Police Department is \$35,000 lower because they are not going to fill a position. The Fire and Ambulance Departments are higher due to salaries being higher than budgeted. In the Police Department there is a projected \$35,000 in savings due to position vacancies. There is also a savings in the Street Department and Cemetery due to position vacancies.

This leaves a projected decrease in fund balance of \$346,628. Some of these were planned items (\$127,941) and are being paid from various funds or sale of properties. This leaves a projected decrease of \$28,838. Mr. Roberts explained that budget numbers are conservative and historically, at the end of the budget year, the budget is \$100,000-\$200,000 higher than projections.

Mr. Roberts projected that the Utility Fund will be approximately \$224,849 higher than budgeted. It is projected the Storm Drain Fund will be about even. The Golf Fund is projected to be \$11,000 less than budgeted. The Library Fund and Fleet Fund are close to even.

Proposed 2010-11 Budget

Revenue

Councilmember Christensen asked why the ambulance fee projections are higher than actuals. Mr. Roberts explained that regulations recently changed so people can be charged \$100 if they call the ambulance and then refuse service. He estimated this will be a \$37,000 increase. Another reason is because the budget proposes that citizens begin being charged for half the amount after insurance has paid for services. He

explained that when the bond went to a vote, the citizens were told that as long as they were paying for the building they would not be charged for services. The bond has now been paid.

Metered water sales are projected to be up \$409,000 due to new customers. This includes \$137,000 estimated to come in if the automatic meter reader project is completed. If that is not approved as a capital project this number will go down.

Sewer rates are anticipated to increase due to Procter & Gamble.

Projected metered electric sales are down. Mr. Roberts explained that last year's electric revenue was based on a pass through of the costs received this year. He went under the assumption that the City should have the same revenue less any increases that are not passed through. He calculated what was not passed through and took it off the electric sales. Councilmember Christensen noted that in the current year's budget it shows that the metered sales are higher. Mr. Roberts agreed this may be too conservative. Councilmember Christensen said the City always wants to be on the conservative side, but he felt this was too conservative. **Mr. Roberts will look at this to get a more accurate number.**

Expenditures

Projected expenditures in Community Development are down because last year there was \$300,000 budgeted for the fiber optic sales tax pledge. This year it is anticipated to be a little over \$200,000. This also includes a reduction in staff.

Leisure Services is down because the Communities That Care Division has been reassigned to the Police Department. This decrease includes staff in CTC as well as the entire CTC budget.

The Swimming Pool expenditures have increased to cover the cost for a winter pool cover. This department's expenditures are actually down, except for this capital project. Mr. Boyce explained that the pool cannot be emptied during the winter because it is plaster and plaster has to be kept wet. They circulate the water to keep chemicals in it so there is no staining or algae bloom.

Storm drain operating costs have doubled from last year because more money has been added for system improvements. It also includes \$53,000 for debt service. **This should be transferred to Debt Service.**

Shop Fund

There is \$1,307,778 in the budget for new vehicles. There is a fund balance from the current year, so the total affect on the budget would be a net of one million dollars.

Mr. Boyce came forward and explained that the Fleet Program is being reworked. In the past, funds were accumulated so when equipment was ready to be replaced the money was in a fund ready to purchase it. However, this fund was often used for other things. This resulted in equipment that was programmed for replacement that was not replaced. The program is being changed to a pay back system. For example, when equipment is purchased, the lease rate will be based on the actual purchase price minus the trade-in. The life of the equipment will be based on the current schedule. The Sale of Assets Fund will be eliminated. This will guarantee a revenue stream each year; however, the problem is that as this is projected the revenue amount will be estimated. There will be some years when the full amount will not be expended. This will need to be transferred to a capital fund to make up for the years when it is short.

Emergency Funds

There is currently \$50,000 in the proposed budget, with an intended cap of \$500,000. Councilmember Jensen suggested this be increased and the cap be increased to \$2M. The flood a few years ago cost the City \$1M after FEMA's reimbursement. Mayor Fife recommended capping it at \$1M but keep the transfer for this year at \$50,000. If the economy looks better next year, this can be considered then.

Capital Projects

Automatic Meter Readers (AMRs)

It is felt this will save the City money in the long run. Pole readers are not included in the budget. A pole with the capability to read meters from the office range from \$100,000-\$250,000. This would help detect leaks. It can isolate an area and narrow it down to where the leak is.

Councilmember Ericson said a water loop on 1200 West has been discussed. He wondered if this could be done in conjunction with the AMRs and do it without bonding. Mr. Roberts felt this would create a cash problem and did not recommend it.

Councilmember Ericson then suggested doing a bond to do the entire City with AMRs and the 1200 West water loop. This would save \$1M in the budget. If this was done with a bond, Mayor Fife suggested leaving the \$1M in the Utility Fund. Councilmember Marabella recommended paying \$1M for the project and bond for the remaining amount. Mr. Roberts said the bonding costs would be the same, no matter what the amount is. The Mayor recommended keeping the amount in the budget neutral, including bonding costs and a possible bond payment. **Mr. Roberts will prepare a forecast.**

The Council recessed to meet in the regular City Council meeting. The meeting reconvened at 8:20 p.m.

Facilities

Mayor Fife explained some ideas to free up space at City Hall. If the Service Center was upgraded with office space Dave Burnett could move there. He has also considered moving Blake Fannesbeck to the Public Works Building. This would free up space on the second floor.

The School District has talked to the Mayor about the possibility of leasing Bunderson School for a minimal fee for up to ten years. If the City did this, Leisure Services could move there which would free up the basement for the Police Department. The Senior Center could have some classes in this building. It could also be used as a temporary museum.

Mayor Fife stated that he has been in discussion with the County about a joint museum, so there is a possibility they would contribute to the cost of the museum. Another possibility is P&G donating money for a County museum. They have stated that they will only donate funds on a County basis.

Councilmember Christensen expressed concern with the location of Bunderson. Councilmember Marabella questioned whether the City should move forward just because there is an empty building, and whether it fits the long-term plan of the City.

Mayor Fife felt the building could house the Gunther Collection and the City could have a wonderful educational center with very little money.

Councilmember Ericson said Ms. Jeffries from the Boys & Girls Club said they would be interested in a joint venture with the City on the building and would be willing to rent from the City and use their grant money to make improvements.

Other Capital Projected in the Proposed Budget:

- ◆ New Phone System. This would provide voice over internet capability.
- ◆ \$20,000 for a Microsoft Office Upgrade. Microsoft will have a new web system in 2010.
- ◆ Bulletproof Vests. It is possible this will be covered with a grant.
- ◆ 800 MHZ Radios. This should not be in Brigham City's budget. It should go through Tremonton. This will be done with a grant.
- ◆ Ventilation System for the Fire Station. This would be done with a grant if it is funded.
- ◆ \$45,000 for Safety Sidewalk Program. This is consistent with the last few years.
- ◆ \$24,160 for street replacement on Beecher Ave. from Highland Blvd to Marie Dr.
- ◆ 100 East from 100 South to 200 South street replacement.
- ◆ \$4,000 for Computer Replacement.
- ◆ \$10,000 for Main Street tree trimming.
- ◆ \$39,800 to expand Pioneer Park.
- ◆ \$2,000 for soccer goals.
- ◆ \$8,400 for picnic shelters.

- ◆ \$38,000 for a winter pool cover.
- ◆ \$13,000 for recreation software to allow participants to register online.
- ◆ \$15,000 to renovate cart paths at the golf course.
- ◆ Point of Sale system for the golf course to allow golfers to reserve tee times online. It is felt this will increase revenue.
- ◆ East gate renovation at the Cemetery and columbarium. These will be funded through the CIRA Fund.
- ◆ Upgrade to the Airport. This will be partially funded with a grant. The City's portion is \$15,000.
- ◆ Water service replacement on 100 East from 100 North to 100 South (\$258,000).
- ◆ Radio Read Meters (\$1.3M)
- ◆ Water line acquisition from the Bear River Water Conservancy District, \$8,500/year. This is ongoing.
- ◆ Upgrade and replacement of electrical panels at the sewer plant (\$120,000)

UTOPIA

Mayor Fife said he recently met with UTOPIA's Executive Board and made a presentation that Brigham City felt they had contributed more than any other City. UTOPIA agreed; however, they felt Brigham City should participate in their operating expenses because 17% of their operating expenses are for Brigham City. This comes to approximately \$575,000 over 20 years, which is approximately \$42,000 a year more. The Mayor talked with them again and told them that Brigham City is contributing to the operating expenses by funding the complete build out of the City. He expects to hear back from their Executive Director soon. There is \$202,000 in the budget for the sales tax commitment.

Desired Items Not in the Budget

Councilmember Ericson said now that the RDA #1 has ended, he would like to do some kind of grant for downtown businesses. Councilmember Vincent felt it should be extended to businesses on the north and south side of town. Mr. Larsen explained that the downtown businesses have been part of an RDA and that is why they have had the availability of City funds.

The Council scheduled another Budget Work Session for Thursday, May 6 at 6:00 p.m. The Council adjourned at 9:20 p.m.